

ING  
SPECIAL  
REPORT

## model portfolios

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## Your profile, your portfolio

What type of investor are you? How will you design your investment strategy to meet your dreams for the future?

What type of investor are you? How will you design your investment strategy to meet your dreams for the future? Our Financial Self-Assessment Quiz should give you an idea. Then, the following portfolio profiles will help you determine your place in the range of aggressive to conservative investors, based on your responses about your risk tolerance, investment objectives and timeline. Each model portfolio reflects a possible combination of asset classes for a representative investor profile. Because investor profiles are general, the portfolios may not represent exactly the right choices for you, but you should think of them as guidelines for designing your own investment portfolio. (Model Portfolios are not intended as specific suggestions or to be used as a primary basis for any investment decisions you may make.) As you determine your own portfolio, remember to consider your other income, assets and investments.

Model portfolios are based on widely held investment theories that asset allocation is a key factor to achieving investment objectives and a longer holding period for investments helps to reduce risk. The portfolios consider the historic rates of returns of different asset classes over long periods of time, although past performance is no guarantee of future returns. Each model portfolio may show an allocation among up to six different asset classes, which are represented by the generally accepted market index shown in the chart following the portfolio descriptions. The performance returns and risk (measured by standard deviation) of each index for the past 25 years (if available) are used as a basis for the model portfolios. Market indices are unmanaged and the returns of these indices reflect reinvestment of dividends or other distributions. They are not available for direct investment.

## Financial Self-Assessment Quiz

5 Strongly agree 4 Agree 3 Disagree 2 Strongly disagree (circle your score)

## Financial Goals

1. **Investments:** I do not need a high level of current income from my investments. I'm more interested in their long-term growth potential.
2. **Large expenses:** I have set aside savings to cover large expenses such as purchasing a home, college tuition or a financial emergency.
3. **Inflation:** I am concerned about the effects of inflation on my investments.

## SCORE

5 4 3 2

5 4 3 2

5 4 3 2

## Risk Tolerance

4. **Volatility:** I can tolerate sharp ups and downs in the short-term value of my investments in return for potential long-term gains.
5. **Risk vs. reward:** Hypothetically, I prefer an investment that has a 50% chance of losing 5% and a 50% chance of gaining 20% in one year, rather than an investment that will assure a 5% return in one year.
6. **Decline in value:** I am comfortable holding on to an investment even though it drops sharply in value.
7. **Equity investing:** I am willing to take the risks associated with stocks in order to earn a potential return greater than the rate of inflation.
8. **Knowledge of risk:** I consider myself knowledgeable about the risks and potential returns associated with investing in stocks and other types of securities.

5 4 3 2

5 4 3 2

5 4 3 2

5 4 3 2

5 4 3 2

## Time Horizon

9. **Your personal timeline:** In how many years do you plan to utilize the results of your investment strategy?  
5 More than 15 4 More than 10 3 More than 5 2 Less than 5
10. **Long-term investing:** I am comfortable with an investment that may take 10 years to provide the returns I expect.

5 4 3 2

5 4 3 2

## If your total score is:

45-50

39-44

33-38

27-32

20-26

## You may be a(n):

Aggressive investor

Moderately aggressive investor

Moderate investor

Moderately conservative investor

Conservative investor

Total Score: \_\_\_\_\_

## Asset Class Market Indices

An asset class is a broad group of individual securities or investments that have similar characteristics, such as risk or market capitalization. See below for more details on Asset Classes and what they mean to investments.

## Global/International

MSCI EAFE Index – The Morgan Stanley Capital International-Europe, Australia, Far East Index is an unmanaged market value-weighted average of the performance of securities listed on the stock exchanges of developed countries in Europe, Australia, and the Far East. The index return includes reinvestment of dividends before foreign tax withholding.

## Aggressive Growth

Russell 2000 Index – The Russell 2000 Index is a market value-weighted unmanaged index consisting of the stock of the smallest 2,000 companies of the largest 3,000 U.S. companies by market capitalization. The

index return includes the reinvestment of dividends and is considered to be representative of the performance of small companies.

## Growth

Standard & Poor's 500 Index – The Standard & Poor's (S&P) 500 Index is a market value-weighted unmanaged index covering the stocks of 500 industrial, utility, transportation and financial companies. The index return includes the reinvestment of dividends and is considered to be representative of the performance of large capitalization companies of the U.S. markets. Growth includes the large value, large blend and large growth investment styles.

## Growth &amp; Income

Lipper Balanced Fund Index – The Lipper Balanced Fund Index is an equally weighted performance index adjusted for capital gains distributions and income dividends of the largest qualifying funds in the Growth & Income investment objective. The index

represents funds whose primary objective is to provide total return by maintaining a balanced portfolio of both stocks and bonds. Typically, the stock/bond ratio is 60 percent to 40 percent. Growth & Income includes the domestic hybrid (balanced) investment style.

## Income

Lehman Brothers Aggregate Bond Index – The Lehman Brothers Aggregate Bond Index is an unmanaged index of corporate and government bonds, and mortgage-backed and asset-backed securities. The index return comprises gains and losses in the price of these securities and income distributions as a percentage of the original investment.

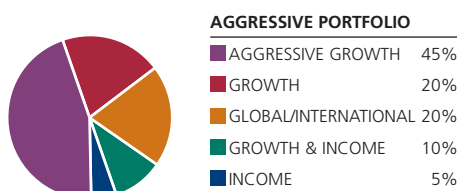
## Stability of Principal

Treasury Bills – Treasury bills and other short-term debt instruments with maturities of one year or less.

### Aggressive portfolio

Has primarily equities or similar higher risk investments, weighted toward aggressive growth, small company and international investments. An aggressive portfolio may be suitable for you if you:

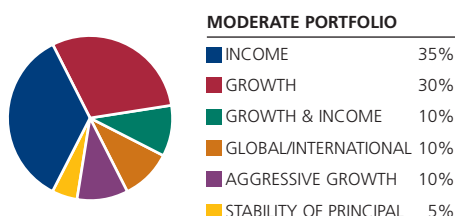
- Have high return expectations for your investments
- Can tolerate higher degrees of fluctuation (sharp, short-term volatility) in the value of your investments
- Are a younger or a more experienced investor and a risk taker
- Desire returns that exceed inflation
- Have 15 years or more before you will need to utilize the money from your investments



### Moderate portfolio

An intermediate risk and return portfolio that provides a blend of equities and income-oriented investments. A moderate portfolio may be suitable for you if you:

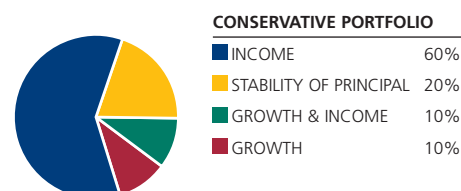
- Have moderate return expectations for your investments
- Want some current income return on your investments
- Are willing and able to accept a moderate level of risk and return
- Are primarily a growth investor but want greater diversification
- Are concerned about inflation
- Have five or more years before you will need to utilize the money from your investments



### Conservative portfolio

A conservative portfolio with only 20 percent invested in growth and growth and income investments, 60 percent in income-oriented investments and 20 percent in stability of principal. A conservative portfolio may be suitable for you if you:

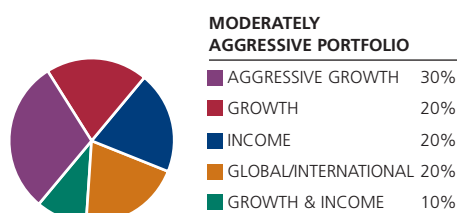
- Need income to supplement your cash flow
- Are unwilling or unable to accept risk/volatility
- Are a cautious investor
- Are more concerned about current income than outpacing inflation
- Have five or fewer years before you will need to utilize the money from your investments



### Moderately aggressive portfolio

Has 80 percent equities or similar higher risk investments focused on growth, while also offering income-oriented investments. A moderately aggressive portfolio may be suitable for you if you:

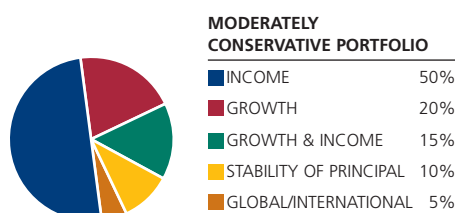
- Have moderately high expectations for a return on your investments
- Can tolerate market downturns and volatility for the possibility of achieving greater long-term gains
- Are an experienced equity investor
- Desire potential returns that moderately outpace inflation
- Have 10 years or more before you will need to utilize the money from your investments



### Moderately conservative portfolio

Has 10 percent invested in stability of principal, 50 percent in income-oriented investments and the remaining 40 percent in equities to provide growth potential. A moderately conservative portfolio may be suitable for you if you:

- Need more current income from your investments
- Are willing and able to accept some risk/volatility
- Are a cautious or first-time investor
- Want some potential hedge against inflation
- Have five or fewer years before you will need to utilize the money from your investments



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